

**Foreign investment in Rice Farming,
Farming or Real Estate business in Thailand**

Further to the news that there have been foreign investors doing business in rice farming, farming activities or real estate projects as well as persuading foreigners to buy housing properties in Thailand, the Department of Business Development, as an authorized agency regulating foreign business and business registrations in Thailand would like to inform the followings:

1. Businesses of rice farming, farming and real estate are reserved for the Thais only. Foreign investors are not allowed to do business in these sectors.
2. Any foreigner who wishes to operate a business that is prohibited to foreigners or requires a license, but does not wish to apply for a license, may operate such business by setting up a joint venture entity with the Thais in the form of a limited (ordinary) partnership or a limited company with foreign shareholding less than 50 percent. In the case of setting up as a limited partnership or registered ordinary partnership, managing partner must be Thai.
3. Any foreigner who operates a business in violation to the law or allows Thais to hold the shares on their behalf to act their "nominee" shareholders in any partnership or limited company, such foreigner and the Thais shall be subjected to a punishment with an imprisonment of not exceeding three years or a fine of 100,000-1,000,000 baht, or both.
4. Any foreigner who registers a limited partnership, registered ordinary partnership or a limited company for the sole purpose to acquire housing property without operating any businesses may be subjected to the cancellation of the registration and lead to the cease of such status.

Please be informed accordingly.

Department of Business Development

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